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CDM Capacity building for Africa: The right solution?

***John Christensen
Director
UNEP Risoe***

REGIONAL AFRICAN
CDM DNA FORUM
Nairobi, Kenya
1 & 2 March 2010

Issues for discussion

- Is it the right question ?
- No simple answer – capacity is part of the solution **BUT** not a “silver bullet”
- Countries need to be committed to create attractive business conditions for CDM
- How to make CB successful
 - Targeted to specific country needs
 - Targeted to specific stakeholder needs
 - Dynamic – reflecting new developments
- Engaging the finance sector is key to long term success

CDM Challenges

- Non Africa-specific:
 - Complex CDM Modalities & Procedures:
 - Transaction cost to hire service providers.
 - Heavy institutional requirements for project cycle.
 - Knowledge gap between ER buyers & sellers.
- Africa-specific:
 - Limited access to finance by potential developers.
 - Financial intermediaries lack of knowledge about CDM.
 - Lack of trained national CDM consultants.
 - Investment climate.
 - Limited budgets for operations of DNAs.
 - Majority of potential in small projects, difficult to attract financing:
 - Lack of entities capable of PoA development.

Targeting responses to challenges

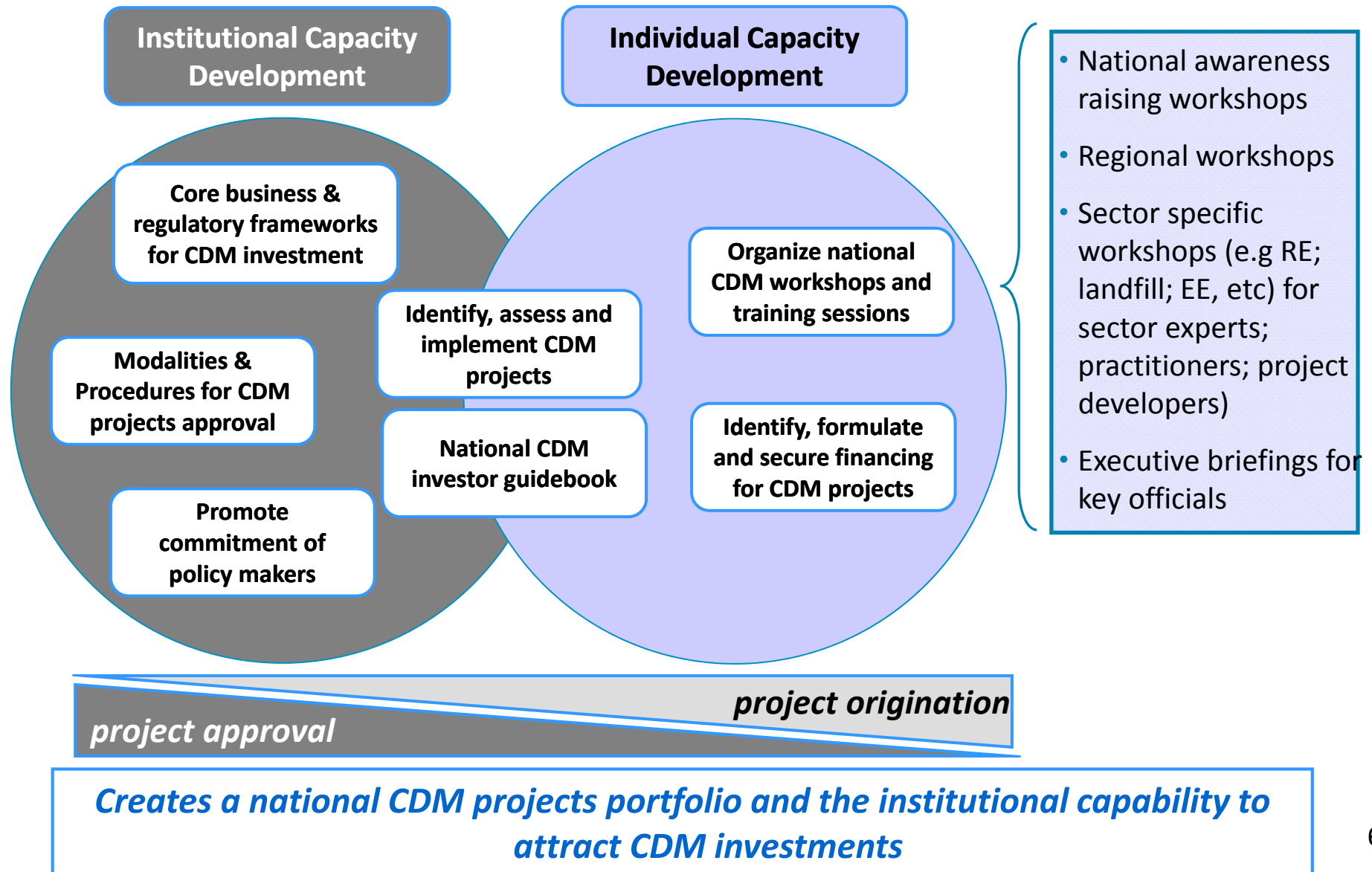
CB is NOT the universal answer, BUT

- Capacity Building can contribute to:
 - Creating awareness and understanding of opportunities and challenges with CDM
 - Establishing the legal framework for CDM
 - Support institutional strengthening and creating efficient and transparent approval procedures
 - Train project public and private developers to create viable and marketable projects
 - Assist in presenting and marketing project opportunities
 - Facilitate more efficient, sustainable, and equitable transactions



Procedures are basically a political issue and reflect complexity, but CB can help understand and apply rules effectively

Capacity development needs to be dynamic



Targeting different groups with special CDM knowledge needs

Tailor made workshops designed for different groups in public and private sectors

- general informative CDM workshops
- dissemination and promotion workshops
- sector focus workshop



Practical, hands on and participatory training sessions

- how to identify and formulate PINs and PDDs
- institutional, legal and CDM regulatory issues
- CERs commercialization, including ERPAs negotiation
- portfolio dissemination and promotion



UNIVERSITY

Investment mobilization and engaging the finance sector

- African Bankers' Carbon Finance Investment Forum. May 2007, Johannesburg
- Dakar, Senegal: Carbon finance perspectives for the banking sector. Feb 12-14, 2008
- Training finance sector staff – Regional Financial Sector CDM Forum, Lima, Nov 2008
- Finance guidebook



Regional Carbon Forums

- **Africa Carbon Forum, Senegal, Kenya 2010**
- **Latin America Carbon Forums**, Quito 2006, Lima 2007, Santiago 2008, Panama 2009
 - ✓ Knowledge and information sharing platforms
 - ✓ Bring together CDM stakeholders to benefit from:
 - ✓ Updates on Carbon markets; technical knowledge sharing on conferences; trade fair and capacity-development sessions



Specifically addressing the finance challenge Africa Carbon Asset Development (ACAD) Facility

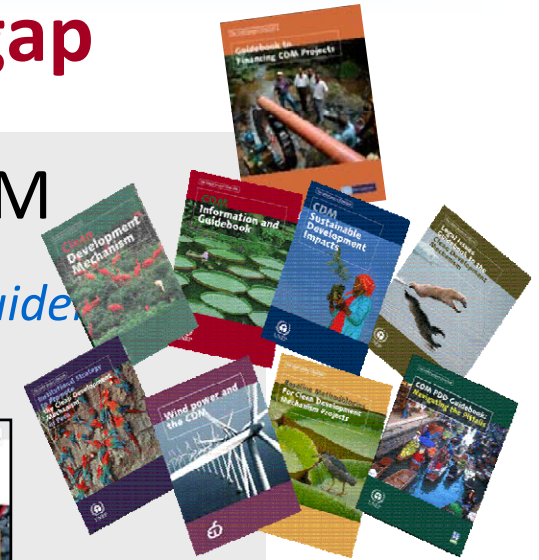


ACAD Goals & Objectives

- Public-private partnership supported by German Government's (BMU) International Climate Initiative. UNEP oversees partnership with commercial banks to realize highly replicable African GHG emission reduction projects.
- Address key barriers precluding more robust African carbon market by:
 - Enhancing transactional capacity within African banks
 - Reducing high early-stage costs/risks
- Main short-term goal:
 - Leverage financial closure of at least 10 highly replicable transactions through end 2010
- Main long-term goals:
 - Mainstream carbon finance capacity within African financial sector
 - Catalyze robust African carbon market
 - Demonstrate proof-of-concept for self-sustaining facility

Addressing the knowledge gap

- Guidebooks on specific issues of the CDM
 - Up-coming (May 2009): *"A primer on P-CDM" – a Guide for CDM practitioners*
- Perspective Series (pricing, 2007, reforming CDM, 2008)
- Working Paper Series (CDM forestry and biomass; SD&CDM; EE & pCDM; bio-energy & CDM; costs and CDM project types; technology transfer and CDM)
- Overview of JI & CDM Pipeline

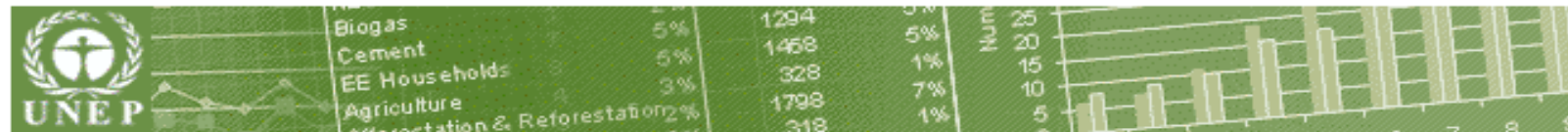


Support the informational and educational objectives of our capacity development activities

Providing market insights

UNEP RISO CENTRE
ENERGY, CLIMATE AND SUSTAINABLE DEVELOPMENT

CD4CDM CAPACITY
DEVELOPMENT FOR THE
CLEAN DEVELOPMENT
MECHANISM



Last updated:
1st September 2008

Content of CDM/JI Pipeline

- » Home
- » Overview
- » CDM projects by type
- » CDM projects by host region
- » CERs
- » Approved CDM methodologies
- » JI projects
- » DOEs/AIEs

CDM Bazaar
cdmbazaar.net

Welcome to the UNEP Risoe CDM/JI Pipeline Analysis and Database

The CDM/JI Pipeline Analysis and Database contains all CDM/JI projects that have been sent for validation/determination. It also contains the baseline & monitoring methodologies, a list of DOEs and several analyses. Almost all information is from cdm.unfccc.int and ji.unfccc.int.

This monthly newsletter shows a sample of the analysis in the Pipeline. If you want more information, then look into the left column and click on the links to sub-pages or click on the download for the full Pipeline, which contain tables with a line of key information for all CDM and JI projects. You can also download a rather old guidance document to the Pipeline.

We publish regularly analysis in the "CDM/JI Analysis" section on www.carbon-financeonline.com (access to this section is free of charge).

» Go to overview page

Please cite as "UNEP Risoe CDM/JI Pipeline Analysis and Database, September 1st 2008".

Please do not put the spreadsheets on other web-sites, you may only put a link to them on this site.

Contact

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Downloads

CDM Pipeline overview

CDM project distribution within host countries by region and type

JI Pipeline overview

Guidance document
(updated February 2008)

Linking buyers and sellers



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Navigation:

Welcome to the UNFCCC CDM Bazaar. This site currently holds **94 postings** from **1165 registered users**

Sellers →

The Seller section shows seller profiles, including contact information, and the projects which have been added by registered Sellers.

Go to this section to:

- View seller entries and details of sellers in the carbon market
- View project entries and details of CDM projects and CERs at various stages
- View sellers and projects, and sort them according to your requirements

[> Visit seller section](#)

Latest seller profiles

2-9-2008 | [pradyumna](#)
27-8-2008 | [AMR PLANTATION S/B](#)
26-8-2008 | [Environmental Carbon Solut](#)
22-8-2008 | [Elgrey Power Pte Ltd](#)
22-8-2008 | [Ingenio](#)

[> See all sellers' profiles](#)

Buyers →

The Buyer section shows profiles of buyers in the carbon market, including preferences and contact information.

Go to this section to:

- View buyer entries and details of buyers in the carbon market
- View detailed purchasing profiles of buyers
- View buyer profiles, and sort them according to your requirements

[> Visit buyer section](#)

Latest buyer profiles

8-9-2008 | [BP](#)
7-9-2008 | [Shell](#)
2-9-2008 | [BOT GIE S.A.](#)
25-8-2008 | [Climate Capital Network](#)
23-8-2008 | [Climate Neutral](#)

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Service providers →

The Service provider section shows profiles of companies, including contact information, who supply carbon market technologies and services.

Go to this section to:

- View service provider entries
- View detailed profiles of service providers
- View service providers, and sort them according to your requirements

[> Visit service provider section](#)

Latest service provider profiles

8-9-2008 | [Renewgen Systems Inc.](#)
8-9-2008 | [Mf Global UK Ltd](#)
5-9-2008 | [Secutech Climate Change](#)
3-9-2008 | [SustentaX](#)
2-9-2008 | [Planck E](#)

[> See all service providers' profiles](#)

Search

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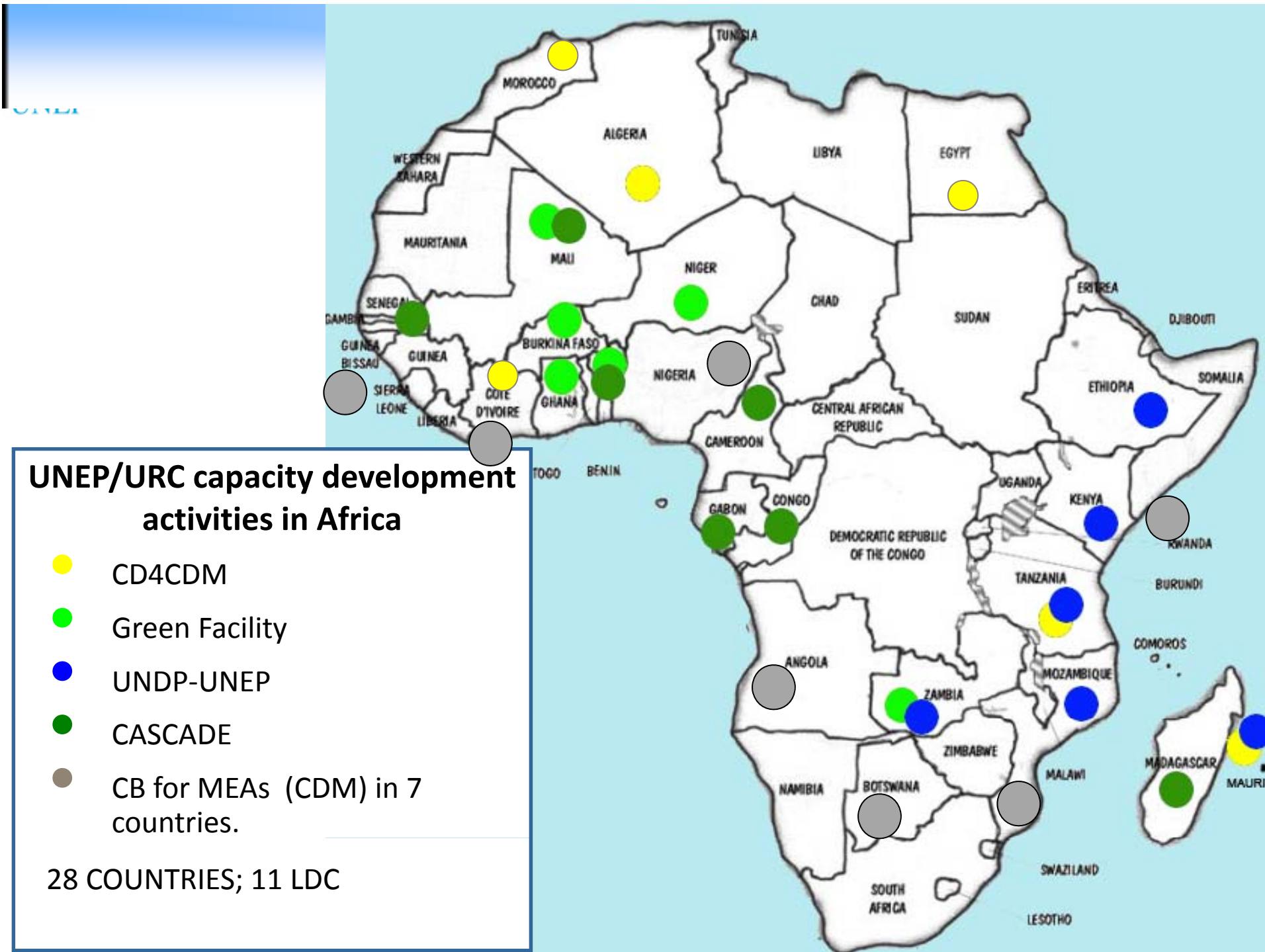
Register to add your profile to the CDM Bazaar, and to add project information or announcements.

[> Register](#)

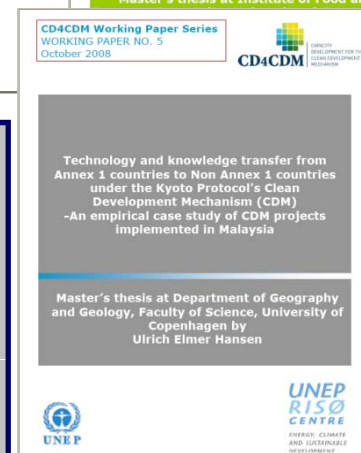
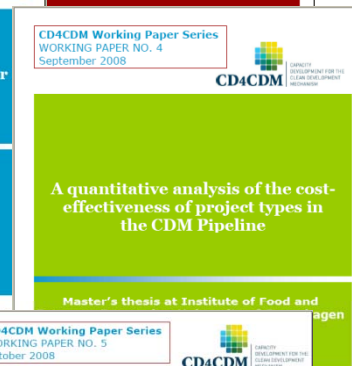
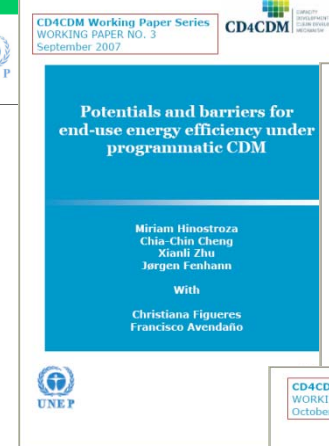
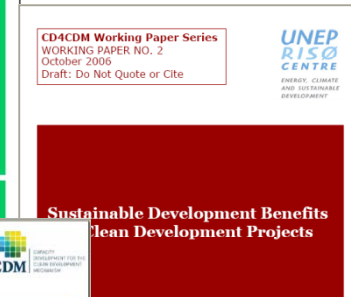
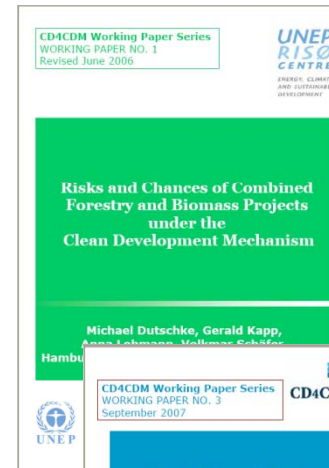
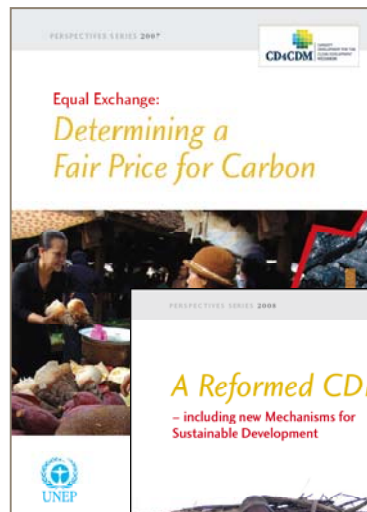
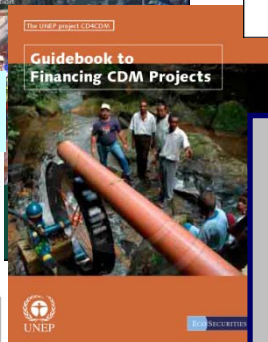
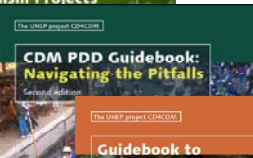
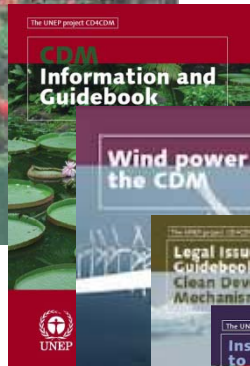
Login

Select profile

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Thank you!!



Upcoming – May 2009



While many things have been said about Programmatic CDM, a clear step by step guidebook is needed to enable the sound origination of projects under a programmatic scheme. The adequate management of issues such as sampling, ownership structure and program monitoring pose big challenges to the success of Programmatic CDM. To cover this gap, the UNEP Risoe Centre in the framework of the CD4CDM Project is developing a guidance document that will be addressed to CDM project developers and carbon financiers and other

- How to shape CDM Programs?
- How to apply sampling to CDM Programs?
- What should a Program Managing Entity do?
- How to apply the current rules and procedures?

During the first meeting of the parties of the Kyoto Protocol (MCP1) a new CDM modality was introduced: "Programmes of Activities" (PoAs). The intention was to broaden the CDM field to replicable projects (i.e. CPAs) with low and physically spread GHG emissions reductions that would have been difficult and time-consuming to develop under a project by project basis.

By its 35th meeting, the CDM's Executive Board agreed the basic rules for programmatic CDM. It approved templates for project design documents suitable for programmes of activities (PDA-DD), its constituent activities (CPA-DD), and issued procedures to register PoAs and issue CERs. It also amended Small Scale CDM methodologies to make them suitable for programmatic activities. Programmatic project activities are most promising in areas of energy efficiency, fossil fuel switching and the use of renewable energies, particularly in private households, small enterprises and transportation.

'A Primer on Programmatic CDM' draws on the basic elements needed to structure and implement Program of Activities (PoAs) in the framework of the Clean Development Mechanism.

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